

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: West Springfield Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 9, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made quarterly in equal installments each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and a modification to the generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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WEST SPRINGFIELD CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	Adjusted Payments	% Change
2020	1,658,059	66,250,533	5,401,656	12,007	7,071,723	7,264,650	4.13%
2021	1,724,381	65,412,542	5,627,396	12,007	7,363,785	7,564,680	4.13%
2022	1,793,357	64,787,868	5,862,545	12,007	7,667,909	7,877,101	4.13%
2023	1,865,091	63,344,722	6,107,496	12,007	7,984,594	8,202,425	4.13%
2024	1,939,695	58,630,574	6,362,656	12,007	8,314,357	8,541,185	4.13%
2025	2,017,282	56,188,013	6,628,451	12,007	8,657,740	8,893,936	4.13%
2026	2,097,974	53,276,529	6,905,324	12,007	9,015,305	9,261,256	4.13%
2027	2,181,893	49,849,045	7,193,737	12,007	9,387,637	9,643,746	4.13%
2028	2,269,168	45,854,456	7,494,171	12,007	9,775,347	10,042,032	4.13%
2029	2,359,935	41,237,306	7,807,126	12,007	10,179,068	10,456,768	4.13%
2030	2,454,332	35,937,444	8,133,124	12,007	10,599,464	10,888,633	4.13%
2031	2,552,506	29,889,644	8,472,709	12,007	11,037,222	11,338,333	4.13%
2032	2,654,606	23,023,205	8,826,446	12,007	11,493,059	11,806,607	4.13%
2033	2,760,790	15,261,516	9,194,925	12,007	11,967,722	12,294,219	4.13%
2034	2,871,222	6,521,585	6,521,585	12,007	9,404,814	9,661,391	-21.42%
2035	2,986,071	-	-	12,007	2,998,078	3,079,870	-68.12%

Amortization of Unfunded Liability as of July 1, 2019

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2020	Fresh Start	N/A	N/A	15	N/A	15

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. **Type** is the reason for the creation of the base. **Original Amortization Amount** is the annual amortization amount when the base was established. **Percentage Increasing** is the percentage that the Original Amortization Amount increases per year. **Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.

* Includes recognition of the following asset gains/(losses) in Fiscal 2022 and 2024:

2022	\$ (518,836)
2024	\$ 2,899,444

** Contribution is set to be the amount resulting from a 4.13% increase on the prior year's contribution, with 4.13% increases thereafter. The contribution in FY2034 decreases by -21.42%.